

Request For Proposal
For
Administrative Support Services

Return Proposal electronically in a PDF format to: David.Sky@ins.nh.gov

INTRODUCTION

The New Hampshire Small Employer Health Reinsurance Pool ("Pool") is authorized to select an Administrator(s) and to set out its powers and duties. The Administrator(s) will administer a reinsurance program under the guidelines outlined in this document and the Pool Administrator(s) contract(s). Additional information, including definitions, can be obtained from the Pool's Plan of Operation. Copies are available from the State of New Hampshire Insurance Department (NHID) website at www.nh.gov/insurance/News/Bulletins/bulletin-index.htm

The Board of Directors of the New Hampshire Small Employer Health Reinsurance Pool ("Board") is requesting proposals from persons or organizations interested in becoming the Pool Administrator(s) for the reinsurance program set forth in the Statute and the Plan of Operation. Please direct any questions and responses to: David.Sky@ins.nh.gov

It is the Board's policy to keep operational costs as low as practical. This does not mean that the lowest cost proposal is necessarily the most appropriate one for the Pool. Cost as well as overall operations will be considered in determining which proposal is chosen.

The Administrator(s) may be required to become, or demonstrate the ability to satisfy the requirements to become, a licensed reinsurance intermediary or a third party administrator licensed by the State of New Hampshire Insurance Department.

Duties of the Administrator(s)

The Administrator(s) is/are jointly responsible, along with the Board and the Members, for the fair, equitable and reasonable administration of the Pool.

- A The Administrator(s) shall perform the following functions, on behalf of, and as directed by the Board:
- 1 Establish procedures and install and maintain the systems needed to properly administer the operations of the Pool in accordance with the statute and the Plan.
 - 2 Establish on behalf of the Pool one or more bank accounts in the name of the New Hampshire Small Employer Health Reinsurance Pool for the transaction of Pool business. These bank accounts will be approved by the Board
 - 3 Accept, on behalf of the Pool, risks that are ceded by Small Employer Health Carriers.
 - 4 Collect monthly reinsurance data from the carriers.
 - 5 Accept automated or semi-automated feeds of information from the Small Employer Health Carriers.
 - 6 Collect reinsurance premium for ceded risks and collect all other amounts due to the Pool in a timely basis.

- 7 Deposit all cash collected on behalf of the Pool in the established bank account(s) on a timely basis.
- 8 Perform reinsurance reimbursement for claims paid on ceded risks consistent with the timelines established by the Board.
- 9 Issue checks or drafts on and/or approve charges against bank accounts of the Pool.
- 10 Keep all accounting, administrative and financial records of the Pool in accordance with the Plan.
- 11 Act as a communications resource for Small Employer Health Carriers in reviewing their administrative operation under the Plan.
- 12 Provide the information to calculate the Assessments in accordance with the methodology specified in the Plan, and bill and collect appropriate amounts due.
- 13 Invest available cash in marketable securities as specified in the Plan and as approved by the Board.
- 14 Provide all required information and cooperation needed by the independent accounting firm engaged to audit the financial statements of the pool.
- 15 Arrange for a line of credit for an amount specified by the Board.
- 16 Prepare and submit at the Board's Annual Meeting, a written report giving a comprehensive explanation of the operations of the Pool's reinsurance program, to include income and expenses, services performed or provided by the Administrator(s) and the costs incurred during the prior fiscal year.
- 17 Provide technical advice and counsel to the Board regarding forms, policy provisions, claims practices and other administrative matters.
- 18 Perform such other duties and information collection functions as designated by the Board and required by statute.
- 19 Ensure that the Administrator(s) maintains a written record of questions received from carriers and responses provided to them, and provides copies of all such responses to the Board.
- 20 Act as a communications resource for Members regarding the assessment process. .
- 21 Perform other necessary functions as directed by the Board.

NOTICE OF INTENT TO AWARD

The Notice of Intent to Award the contract is tentatively scheduled to be mailed on October 7, 2005.

PROPOSED TIME TABLE

Listed below is the proposed time frame for the RFP process:

Request for Proposals Issued	September 16, 2005
Questions due	September 21, 2005
Answers posted on NHID website	September 23, 2005
Proposals Due	September 28, 2005
Finalist Presentations (if needed)	October 3, 2005 through October 5, 2005
Award of Contract	By October 7, 2005

The Chairman of the Board reserves the right to adjust this schedule, as it is deemed necessary.

SERVICES EFFECTIVE DATE

Selected Administrator(s) must be prepared to begin receiving new and renewal business assignments as of January 1, 2006.

LIMITATIONS

The Administrator(s) will be reimbursed for its reasonable costs of administration in accordance with a signed contract approved by the Board.

The Administrator(s) shall maintain all records as to premiums, reimbursement and administrative expenses for a particular fiscal year for a period of seven years following the end of that calendar year.

All records, files, and reports associated with the Pool are and remain the property of the Board and are to be turned over to the successor Administrator(s) should there be one. The Administrator(s) must provide the Board with access to all such records for audit purposes.

In performing under the contract with the Board, the Administrator(s) shall retain the confidentiality of all information pertaining to reinsured risks and Members in accordance with all applicable statutes, regulations and principles of common law pertaining to confidentiality and to trade secrets. Such information shall be used only for the purposes necessary for the operation of the Pool's reinsurance program and shall be strictly segregated from other records, data or operations of the Administrator(s). Unless specifically required, in the Plan of Operation or under the applicable Statute, no information that identifies specific reinsured risks or Small Employer Health Carriers shall be retained or used by the Administrator(s) or disclosed to any third party.

Data required of the Small Employer Health Carriers by the administrator for transacting business with the reinsurance Pool shall be provided to the Small Employer Health Carriers no later than thirty (30) days following the award and acceptance of the contract.

PROPOSAL CONTENT AND FORM

All proposals offered in response to this Request for Proposal are to be professional, complete and concise.

This RFP has been developed in a modular fashion. All respondents must complete the sections below labeled Organization and Qualifications and Reinsurance and Financial Systems. However, respondents may choose to submit proposals for Tasks Associated with Transacting Reinsurance Business between the Small Employer Health Carrier and the Pool (Task A), and/or Tasks Associated with Assessments between Members and the Pool (Task B).

Organization and Qualifications

1. An organizational chart which clearly displays the corporate division or department, which will be assigned the responsibility for management of this contract and its relationship to other corporate functions or accounts. Also, please provide the name of the individual that will have the primary responsibility for this contract.
2. The geographic location of facilities to be used for the administration of the Pool's reinsurance program.
3. Disclosure of the relationship (through a holding company system or other) to any other insurance company, third-party administrator or any other entity subject to insurance regulation. A diagram showing any and all such relationships should be provided.
4. Disclosure of any intended sub-contracted services and the entity providing those services.
5. A statement of general background, experience, and qualifications of the organization. Special mention should be made of experience in handling health reinsurance. Include a list of clients or organizations that can be used as references for work performed in the area of administrative services.
6. Profiles of the qualifications of management, professional, and technical personnel who will be assigned to administer the reinsurance program.
7. A copy of the most recent CPA-audited financial report of the organization.
8. Copies of any and all market conduct examination reports from any state, written in the last three years, including affiliated organizations.
9. Please briefly describe your privacy and confidentiality guidelines.

Reinsurance and Financial Systems

1. A review of the reinsurance system to be implemented including an explanation of the reinsurance activity reporting mechanisms describing data collection and reporting which will enable the Pool to assemble results by month and year-to-date as well as to summarize by member, group of members or to aggregate information for the entire program.

2. An explanation of accounting for the reinsurance program. This statement should include a chart of accounts to be set up for reinsurance and a general ledger and financial reporting system to support monthly cash basis reporting and quarterly and year-end reporting.
3. An explanation of the monthly and annual reporting to be made to the Board. Sample reports should be included.
4. A statement of all audit functions and services which will be provided as a standard part of the services, to include audits of sub-contracted services. Please itemize any additional expenses to the Pool.

Task Performances

ONLY RESPOND TO THE TASK PERFORMANCES THAT YOU ARE BIDDING ON

A. Tasks Associated with Transacting Reinsurance Business between the Small Employer Health Carrier and the Pool.

1. An explanation of the processes and copies of the forms, required data elements and instructions to be provided by Small Employer Health Carriers so that they may be fully capable of transacting business with the Pool. This shall include, but is not limited to:
 - a. Eligibility
 - b. Standard Health Benefit Plan
 - c. Reinsurance Premium
 - d. Claims information needed for reinsurance reimbursement
2. An explanation of any training and the member service programs to be used to familiarize Small Employer Health Carriers with the reinsurance program.
3. An explanation of initial and ongoing communications with Small Employer Health Carriers, including the general content and timing of these communications.
4. An explanation of how issues relating to Small Employer Health Carriers will be communicated to the Board.
5. A timetable of events from the date of the award of the Administrator(s) contract to the date the reinsurance program is operational, and any subsequent events identified during the normal course of operations. These events should include all aspects of the Reinsurance and Financial Systems and Task Performances listed above.
6. A description of a system to be used to resolve grievances/disputes between the Pool and Small Employer Health Carriers which shall include, if applicable, notices; forms; determinations; procedures for determination.

B. Tasks associated with Assessments between Members and the Pool.

1. Describe the proposed process for determining the Assessment base including forms, required data elements, procedures and instructions.
2. Describe the process for the billing and collection of Assessments.
3. Describe the tracking and reconciliation process of the Assessment.
4. An explanation of any training and the member service programs to be used to familiarize Members with the reinsurance program.
5. An explanation of initial and ongoing communications with Members, including the general content and timing of these communications.
6. An explanation of how issues relating to Members will be communicated to the Board.
7. A timetable for all Assessment task performances noted above.
8. A description of a system to be used to resolve grievances/disputes between the Pool and Members which shall include, if applicable, notices; forms; determinations; procedures for determination.

Cost Proposal

All cost proposals shall include segregated cost for the administration of Task Performance items A and B if responding to both.

All cost proposals responding to Task Performance A shall include fees on a per member per month basis as well as a flat fee per month. For this component the bid will be expressed as the greater of the per member per month or the flat monthly fee. Also, all cost proposals for Task Performance A cannot exceed the greater of \$2,500.00 per month or \$10.00 per reinsured individual per month. (Please Note: These amounts are statutorily prescribed.)

All cost proposals responding to Task Performance B shall include fees as a flat fee per month. Alternative cost proposals will be accepted.

Please disclose any stipulated terms of payment.

Please Note: A listing of the carriers participating in the small employer market can be obtained from the NHID website

Other/Miscellaneous

Such other information as the potential Administrator(s) determines would be of benefit to the Board in considering the proposal.

PROPOSALS

All costs associated with the preparation of a proposal are to be borne solely by the potential Administrator(s). The Board and the Pool accept no responsibility for such costs.

The Board reserves the right to reject all proposals tendered under this Request for Proposal.

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